

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

**BOSTON GAS COMPANY d/b/a KEYSPAN ENERGY
DELIVERY NEW ENGLAND**

D.T.E. 03-40

ATTORNEY GENERAL'S ELEVENTH SET OF
DOCUMENT AND INFORMATION REQUESTS

The following are the Attorney General's Eleventh Set of Document and Information Requests regarding the prefiled testimony of Mr. Bodanza.

- AG-11-1 Referring to Exhibit KEDNE/JFB-1, Page 7, Lines 6-9, please provide a complete description of how the Company identifies incremental costs allocable to Colonial and Essex. The response should show how the Company determines and quantifies costs that would not be incurred by Boston Gas, but for the need to support the Colonial and/or Essex operations.
- AG-11-2 Referring to Exhibit KEDNE/JFB-1, Page 7, Lines 6-9, please provide documentation and workpapers showing how incremental costs allocable to Colonial and Essex in 2002 were developed.
- AG-11-3 Referring to Exhibit KEDNE/JFB-1, Pages 16-17, please provide documentation supporting the allocation of Service Company expenses to Boston Gas, Essex, and Colonial in 2002. The response should begin with the costs of the Service Company as accumulated in designated accounts and show the assignment or allocation of those costs to Boston Gas, Essex, and Colonial, clearly indicating the allocation factors used and the basis for the development of those allocation factors.
- AG-11-4 Referring to Exhibit KEDNE/JFB-1, Page 17, Lines 15-17, please provide the annual report to the SEC for 2002.
- AG-11-5 Please provide a complete explanation of how the establishment of the Service Company affected the determination and quantification of incremental costs allocable from Boston Gas to Colonial and Essex in 2002, as described on Exhibit KEDNE/JFB-1, Page 7.

- AG-11-6 Referring to Exhibit KEDNE/JFB-1, Page 20, Lines 3-10, please quantify the efficiencies of scale in 2002 created by the existence of the Service Company. The response should show how the enhancement of the cost-effectiveness of the services provided to each affiliate resulted in cost savings or cost reductions to each of those affiliates in 2002, identifying the cost savings to each affiliate.
- AG-11-7 Page 47 of the Annual Return to the DTE of Essex Gas Company for 2002 shows a negative administrative and general expense. Please explain why administrative and general expenses for Essex Gas Company for 2002 are negative. If the negative administrative and general expenses for Essex Gas are the result of the incremental method of assigning expenses to Essex, the response should explain how this method could result in negative expenses.
- AG-11-8 Referring to Exhibit KEDNE/PJM-2, Page 18, please provide an analysis of the Incremental Cost Adjustment by FERC account.
- AG-11-9 Referring to Exhibit KEDNE/PJM-1, Page 21, Lines 18-20, please provide documentation supporting the incremental allocations of \$1,410,650 to Essex.
- AG-11-10 Referring to Exhibit KEDNE/PJM-2, Supplemental Information, Page 18, please explain the worksheets supporting the Incremental Cost Adjustment. The response should explain what the line items represent and what the columns headed "Allocate to Boston", "Yes" or "No" represent. The response should also provide the criteria used designate the expense items as "Yes" or "No".
- AG-11-11 Referring to Exhibit KEDNE/JFB-1, Pages 29-30, please explain the effect, if any, that the merging of the Keyspan qualified pension plans is expected to have on the Boston Gas pension costs.
- AG-11-12 Referring to Exhibit KEDNE/JFB-1, Page 30, subsequent to the merging of the Keyspan qualified pension plans, will there continue to be a separate accounting for the Boston Gas benefit obligation and fund balances?
- AG-11-13 Referring to Exhibit KEDNE/JFB-1, Page 35, please provide supporting documentation for the estimated pension expense of \$17.0 million for 2003.
- AG-11-14 Please provide the total PBOP cost (capitalized and charged to O&M) recognized by the Company in 2002 and the actuarial report to support that cost.
- AG-11-15 Referring to Exhibit KEDNE/JFB-1, Page 38, please provide the accounting entries to record the amortization of the \$44 million transition obligation over ten years.

- AG-11-16 Does the Company intend to contribute the cash from the amortization of the \$44 million transition obligation to the VEBA trust? If the answer is negative, explain why not.
- AG-11-17 Referring to Exhibit KEDNE/JFB-1, Page 42, Lines 1-4, please provide supporting documentation and calculations for the pre-funded asset balance of \$54.6 million.
- AG-11-18 Referring to Exhibit KEDNE/JFB-1, Page 42, Lines 17-19, please provide a sample calculation of the carrying charges on the prepaid balance at the tax effected weighted average cost of capital.
- AG-11-19 Referring to Exhibit KEDNE/JFB-2, please provide a representative sample calculation of the PRAF, assuming that the Company's proposal is accepted and the pension and PBOP expense in the revenue requirement is as proposed by the Company. The response should state all assumptions used in the sample calculation.
- AG-11-20 Referring to Exhibit KEDNE/JFB-1, pages 7-8, please identify each of Boston Gas Company's affiliates within the KeySpan system and provide for each affiliate the following information:
- (1) the location of the firm's headquarters;
 - (2) the locations of the firm's operations;
 - (3) the name and location of the firm's service company; and
 - (4) the KeySpan affiliates with which the firm shares assets, liabilities, expenses, and / or revenues along with an identification of such.
- AG-11-21 Please provide a copy of the Department's order in D.P.U. 93-141-A.
- AG-11-22 Please define the following terms as used by Mr. Bodanza in his testimony:
Interruptible transportation
Interruptible sales
Capacity release
Off-system sales
The definitions must include the Company's basis for categorizing customers, contracts and/or transactions under each category, how the Company offers each of these services to its customers, details of the specific costs that are associated with each of these categories, the rules for interruption, and any specific customer characteristics or qualities that qualify customers or transactions for inclusion in each of these categories.

- AG-11-23 Please provide the page references in the Department's order in D.P.U. 93-141-A that relate to the Company's current ratemaking treatment of Interruptible transportation revenues. If the Company's current treatment is not governed by the Department's order in D.P.U. 93-141-A, please provide specific references to the appropriate orders, rulings or regulations and provide complete copies of all documents cited.
- AG-11-24 Please provide the page references in the Department's order in D.P.U. 93-141-A that relate to the Company's current ratemaking treatment of Interruptible sales revenues. If the Company's current treatment is not governed by the Department's order in D.P.U. 93-141-A, please provide specific references to the appropriate orders, rulings or regulations and provide complete copies of all documents cited.
- AG-11-25 Please provide the page references in the Department's order in D.P.U. 93-141-A that relate to the Company's current ratemaking treatment of capacity release revenues. If the Company's current treatment is not governed by the Department's order in D.P.U. 93-141-A, please provide specific references to the appropriate orders, rulings or regulations and provide complete copies of all documents cited.
- AG-11-26 Please provide the page references in the Department's order in D.P.U. 93-141-A that relate to the Company's current ratemaking treatment of off-system sales revenues. If the Company's current treatment is not governed by the Department's order in D.P.U. 93-141-A, please provide specific references to the appropriate orders, rulings or regulations and provide complete copies of all documents cited.
- AG-11-27 Please provide the monthly test year revenue by rate element (customer or administrative charges, demand charges, volumetric charges and any other service category) for each interruptible transportation customer. Include the quantities billed each month for each element, for each customer. Provide the data and underlying calculations in electronic spreadsheet form (Excel or Lotus compatible).
- AG-11-28 Please provide the monthly test year revenue by rate element (customer or administrative charges, demand charges, volumetric charges and any other service category) for each interruptible sales customer. Include the quantities billed each month for each element, for each customer. Provide the data and underlying calculations in electronic spreadsheet form (Excel or Lotus compatible).

- AG-11-29 Please provide the monthly test year revenue by rate element (customer or administrative charges, demand charges, volumetric charges and any other service category) for each capacity release customer. Include the quantities billed each month for each element, for each customer. Provide the data and underlying calculations in electronic spreadsheet form (Excel or Lotus compatible).
- AG-11-30 Please provide the monthly test year revenue by rate element (customer or administrative charges, demand charges, volumetric charges and any other service category) for each off system sales customer. Include the quantities billed each month for each element, for each customer. Provide the data and underlying calculations in electronic spreadsheet form (Excel or Lotus compatible).
- AG-11-31 Please provide the monthly 2003 (January through March) revenue by rate element (customer or administrative charges, demand charges, volumetric charges and any other service category) for each interruptible transportation customer. Include the quantities billed each month for each element, for each customer. Provide the data and underlying calculations in electronic spreadsheet form (Excel or Lotus compatible).
- AG-11-32 Please provide the monthly 2003 (January through March) revenue by rate element (customer or administrative charges, demand charges, volumetric charges and any other service category) for each interruptible sales customer. Include the quantities billed each month for each element, for each customer. Provide the data and underlying calculations in electronic spreadsheet form (Excel or Lotus compatible).
- AG-11-33 Please provide the monthly 2003 (January through March) revenue by rate element (customer or administrative charges, demand charges, volumetric charges and any other service category) for each capacity release customer. Include the quantities billed each month for each element, for each customer. Provide the data and underlying calculations in electronic spreadsheet form (Excel or Lotus compatible).
- AG-11-34 Please provide the monthly 2003 (January through March) revenue by rate element (customer or administrative charges, demand charges, volumetric charges and any other service category) for each off-system sales customer. Include the quantities billed each month for each element, for each customer. Provide the data and underlying calculations in electronic spreadsheet form (Excel or Lotus compatible).

- AG-11-35 Please provide, no later than August 1 2003, the monthly April through June 2003 revenue by rate element (customer or administrative charges, demand charges, volumetric charges and any other service category) for each interruptible transportation customer. Include the quantities billed each month for each element, for each customer. Provide the data and underlying calculations in electronic spreadsheet form (Excel or Lotus compatible).
- AG-11-36 Please provide, no later than August 1, 2003, the April through June 2003 monthly revenue by rate element (customer or administrative charges, demand charges, volumetric charges and any other service category) for each interruptible sales customer. Include the quantities billed each month for each element, for each customer. Provide the data and underlying calculations in electronic spreadsheet form (Excel or Lotus compatible).
- AG-11-37 Please provide, no later than August 1, 2003, the April through June 2003 monthly revenue by rate element (customer or administrative charges, demand charges, volumetric charges and any other service category) for each capacity release customer. Include the quantities billed each month for each element, for each customer. Provide the data and underlying calculations in electronic spreadsheet form (Excel or Lotus compatible).
- AG-11-38 Please provide, no later than August 1, 2003, the April through June 2003 monthly revenue by rate element (customer or administrative charges, demand charges, volumetric charges and any other service category) for each off-system sales customer. Include the quantities billed each month for each element, for each customer. Provide the data and underlying calculations in electronic spreadsheet form (Excel or Lotus compatible).
- AG-11-39 For each year 1996-2002, please provide the monthly interruptible transportation revenue shared with customers and the amount retained by the Company. If any of the customers' share of the interruptible transportation revenue did not flow through the CGA, identify the amount and through which rate element(s) or component(s) the revenue was credited to customers.
- AG-11-40 For each year 1996-2002, please provide the monthly interruptible sales revenue shared with customers and the amount retained by the Company. If any of the customers' share of the interruptible sales revenue did not flow through the CGA, identify the amount and through which rate element(s) or component(s) the revenue was credited to customers.
- AG-11-41 For each year 1996-2002, please provide the monthly capacity release revenue shared with customers and the amount retained by the Company. If any of the customers' share of the capacity release revenue did not flow through the CGA, identify the amount and through which rate element(s) or component(s) the revenue was credited to customers.

- AG-11-42 For each year 1996-2002, please provide the monthly off-system sales revenue shared with customers and the amount retained by the Company. If any of the customers' share of the off-system sales revenue did not flow through the CGA, identify the amount and through which rate element(s) or component(s) the revenue was credited to customers.
- AG-11-43 Refer to Exhibit KEDNE/JFB-1, p. 49. Please explain, in detail, to what degree the Company views its gas resources to be part of an integrated portfolio—is this Boston Gas integration, KeySpan Massachusetts LDC integration, KeySpan New England LDC integration, all of KeySpan LDC integration or some other combination or level of integration?
- AG-11-44 Refer to Exhibit KEDNE/JFB-1, p. 49. Please explain, in detail, how the Company operates, plans and functions differently as part of an integrated portfolio than it had as a stand-alone portfolio company.
- AG-11-45 In addition to interruptible transportation, interruptible sales, capacity release and off-system sales, are there any other services that the Company anticipates it would consider part of its proposal to pool revenues for margin sharing? If yes, please describe these services and explain how any revenues for these services are treated currently.
- AG-11-46 Please describe how each of the KeySpan companies currently treats its interruptible transportation, interruptible sales, capacity release and off-system sales revenues and the revenues for services identified in the preceding response for ratemaking purposes. Provide copies of the regulatory orders accepting or requiring each ratemaking treatment.
- AG-11-47 Since the end of the test year, has the Company entered into any arrangement (other than interruptible transportation, interruptible sales, capacity release and off-system sales arrangements) that it would include in the proposed margin sharing pool? If yes, please describe and provide copies of all related solicitations for these arrangements, copies of all responses to the solicitations, all analyses done to evaluate the responses and all related contracts, agreements and amendments.
- AG-11-48 Is the Company contemplating entering into any arrangement (other than interruptible transportation, interruptible sales, capacity release and off-system sales arrangements) that it would include in the proposed margin sharing pool? If yes, please describe the types of arrangements it is contemplating and provide all analyses and internal presentations made that relate to the contemplated deals.

- AG-11-49 To the extent that any of the other KeySpan companies have entered into any service arrangements of the type that the Company would include in its proposed margin sharing pool, describe the specific services, provide copies of all related service agreements, contracts and amendments, and regulatory authority orders approving the treatment of revenues and costs for ratemaking purposes.
- AG-11-50 Please describe how the “margin” for each type of service subject to the Company’s proposed margin sharing mechanism would be determined. If it is not simply the revenues generated, please identify the specific costs and/or other items that would be netted to determine the “margin” to be shared. Explain, in detail how each cost or revenue off-set would be calculated.
- AG-11-51 If the Company’s proposed margin sharing mechanism had been in place during the test year, what would have been the Company’s share of margins? Please provide all supporting documentation, calculations, workpapers and assumptions. The response must include the amount of actual test year margins for each category, the Company’s share and the customers’ share. Provide the data and underlying calculations in electronic spreadsheet form (Excel or Lotus compatible).
- AG-11-52 Refer to Exhibit KEDNE/JFB-1, p. 49. Please explain how the realities of the marketplace have changed since the Department issued its order in D.P.U. 93-141-A and how have these changes uniquely affected Boston Gas Company.
- AG-11-53 Prior to the Department’s order in D.P.U. 93-141-A had the Massachusetts LDCs entered into portfolio or capacity management agreements? If yes, please describe the arrangements and how they differ from the arrangements entered into post D.P.U. 93-141-A.
- AG-11-54 Referring to Exhibit KEDNE/JFB-1, page 24, please produce all workpapers, calculations, formulas, assumptions, and other supporting documentation for Mr. Bodanza’s proposed 0.15 percent consumer dividend.

Dated: May2, 2003.